

in school. Then when they graduate, if they do not go on to graduate school, or, if they do, they have a 6-month period where they do not have to repay the loan. Then they begin repaying the loan. They have 10 years to do that. During that 6-month period, their interest at current law is also subsidized. If they go on to graduate school they can continue to borrow money and also receive an interest subsidy.

□ 2115

The undergraduate and the graduate subsidy will not be touched. What we are talking about is eliminating, as part of this, about a third of it, the interest subsidy for the 6-month period. And what that works out to be is a student that over the next 4 years borrows the maximum, little over \$17,000, when they do begin repaying it, the maximum that that could be is about \$9 a month. And we feel that that is fair, from \$4 to \$9 a month; we think that is a fair return considering that there are a lot of young people that are not able to go to school and their taxes are helping to subsidize those that do.

Does that kind of answer that?

Mr. WISE. Mr. Speaker, if the gentleman will yield, I would be delighted tomorrow to look at the statistics. I am just surprised, \$3.5 billion sounds like a lot coming out of just ending the deferral for the 6-month period. That sounds like a large amount of savings being scored to that. But I am not going to contest that.

Mr. McKEON. The numbers are there.

Mr. WISE. Is that a CBO scoring?

Mr. McKEON. Yes. That is over a 7-year period. And that gets us to the \$10 billion that we need to save.

I think what we really need to keep sight of is to stick with the facts. That is really important. I think they are bad enough as they are. There are going to be cuts, but we do not need to scare people needlessly.

The other night when I heard the President talking, again saying that we were eliminating the subsidy for students, it is just not so. I think really for the office of the President, he really should stick with the facts. He has enough to talk about on his side of the issue without distorting the facts.

Mr. WISE. Has this been reported from the Committee on Economic and Educational Opportunities?

Mr. McKEON. We held a news conference on July 27 and indicated that we would not be going after the in-school subsidy or the graduate school subsidy. So that information has been out over 1 month. The President certainly should have it. I can get you a copy of this tonight.

Mr. WISE. On Pell grants, the chairman had said this would be the highest number ever. I understand that the level of the dollar amount to an individual will be the highest ever. I have understood that.

Mr. McKEON. We raised it \$100 per individual.

Mr. WISE. But that some individuals will not be, while we have got individ-

uals able to get a higher level of Pell grant, there will not be as many individuals able to qualify for the Pell grant; is that true?

Mr. McKEON. No. What it is is we raised the lower limit so those who were borrowing a very small amount, up to \$600, not as many of them would be able to borrow. We went to the higher amount so that those who were the neediest could get the full amount.

This has been, I think, healthy to have a discussion. There is a lot that we can talk about just on the actual merits of what the real numbers are.

I think that the purpose of this whole debate is, I am new here in Congress. I have been here now, this is just starting my second term. It has been a real education to me. I came out of private industry. I was a businessman. I really did not know how the Federal budget worked or what the process was. I am still learning, every day I am learning.

But the big thing I have learned is that we have a debt of almost \$5 trillion. And these young people in school and their children and their grandchildren are going to be paying this debt. It used to be, when I was a young person, our parents worked all their lives to pay off the mortgage and then leave the farm to the children. And now it seems like what we are doing is spending our entire lives mortgaging the farm and the Government takes the farm and the children are left with the debt. We need to turn that around.

This is just one of the things that we are looking at to save a little money. I think as we spread this across the board, spread the pain of arriving at this balanced budget over a 7-year period, we will all benefit.

#### SACRIFICE

The SPEAKER pro tempore (Mr. BUNN of Oregon). Under a previous order of the House, the gentleman from Indiana [Mr. McINTOSH] is recognized for 5 minutes.

Mr. McINTOSH. Mr. Speaker, sacrifice, we all know the word. Our Founding Fathers understood the need for sacrifice. They concluded in the Declaration of Independence: We mutually pledge to each other our lives, our fortunes and our sacred honor.

Few members of our society understand the word sacrifice more than our beloved veterans. Mr. Speaker, it is our Nation's heroic veterans that bring me to the floor of the House tonight. I rise to provide this House and this Nation with an update from Indiana on the efforts over the summer in my district to honor our veterans.

I proudly report over the past several months that Hoosiers in Indiana have rightly commemorated the sacrifice that our veterans have made. I would like to mention their efforts as well as single out a few veterans whose sacrifice demonstrates the essence of that word. There is a renewal of the American sense of sacrifice, and it is being rekindled in my home town of Muncie, IN.

After a lapse of nearly 20 years, the citizens of my home town of Muncie held a Memorial Day parade to honor the veterans. My wife Ruthie and I had the honor of joining them in this expression of devotion to the men and women who have served our country in the armed services.

I mean men such as Muncie veterans Jack Reichart who served valiantly on the USS *Missouri*. Jack had the privilege of watching the Japanese premier surrender to the United States on VJ Day over 50 years ago.

In Anderson, where Hoosiers celebrate the 4th of July each year with a midnight parade, thousands lined the streets to honor those who have served their country, and honor those who gave their lives for our freedom.

Harry Mullins, one of most decorated veterans of the United States, was part of that celebration. During the Korean war, Harry's division was asked to do the impossible, they were given the task of retaining Pork Chop Hill. They did, and they did with the utmost of sacrifice. Only nine men survived that mission, and Harry was lucky enough to be one of them.

In July the citizens of Columbus held a parade to celebrate the anniversary of the end of World War II and to pay tribute to veterans. The city of Richmond held a special celebration for all veterans at the Earlham Field of Honor to recognize the special veterans in their community.

Men such as John Connelly, who was decorated for his heroic actions, John's aircraft crashed behind enemy lines in World War II. He had to hide in the ditches as the German Army platoons marched perilously close to his hiding place. Finally, John managed to find his way back to safety, back to his colleagues and the American troops who were marching through Germany.

His amazing tale was later retold in the movie "A Bridge Too Far."

Ralph Pyle, of Richmond, served in the Army during both World War II and the Korean war. Ralph earned a Bronze Star for flying 35 reconnaissance missions. Today he is a renowned photographer, and all of us cherish his photographs that bring that war so much to life in our mind's eye.

The homage to veterans began in Shelby County where they dedicated a new park, Honor Park, in honor of those men who served from their country in the defense of this country.

Mr. Speaker, today we must make a commitment. We must follow in the footsteps of Hoosiers in the Second District and remember their sacrifice, the sacrifice that more than 1 million Americans made who died to protect our inalienable rights. We must not only honor our veterans, but we must learn from their example. Now is the time for my generation to renew our commitment to this country, to remake a commitment that if we are called upon to sacrifice, we will be ready to defend the liberties that this Nation stands for.

We must renew that pledge. We must mutually pledge to each other our lives, our fortunes, and our sacred honor so that, if we are called upon to defend America, we will stand ready.

I am proud to say last week this House took an important step and passed the military appropriations bill that will provide the funding necessary for those young men and women who are today called upon to be the front line of defense of our freedoms.

Mr. Speaker, I include the following letter for the RECORD:

Sacrifice. It's a word we all know. Our Founding Fathers understood the need for sacrifice—they concluded the declaration of independence with the words: "We mutually pledge to each other our lives, our fortunes, and our sacred honor." I, myself, grew up with the notion that sacrifice was part of the American experience. I can recall my grandmother, Lilian Slyle, telling me stories of her experiences in world war I. She was an army nurse during the war, and she told me countless tales of the hardships of that terrible conflict, marching across Europe with General Pershing. She was profoundly affected by these experiences. And so was I. All of us have made some sacrifices in our lives. We make sacrifices for our family, for our close friends, even for our neighbors and co-workers. Members in the armed forces make many sacrifices great and small, and over one million Americans have given their lives, the ultimate sacrifice, while serving to defend our country. Many of us here today can remember the long, lonely hours of sacrifice that service in the army, navy, air force, or marine corps requires—standing watch on the bridge of a warship through the night, patrolling alone in a dark forest, or working into the night on an aircraft in preparation for the next flight. Some of those sacrifices go unseen, but never unrecognized by those who depend on them. Americans across the country gather each year on this day to honor such sacrifices, and remember the contributions of American servicemen. Throughout history, members of the armed forces have risked their lives not merely for their family or their co-workers, but for a cause represented by the American flag and the liberty to succeed or fail which it embodies. Some Americans are too young to remember, others have too quickly forgotten. How important, therefore, that we honor our veterans, that we learn from them, and that we teach others about history, about war, about sacrifice. We are still reminded about the great World Wars, about Korea, Vietnam, and more recent conflicts. We should not, however, allow the memory, the lessons, and the sacrifices of our tragic wars to fade. Proud veterans of those wars are among us today. Their presence bears witness to sacrifice. Battlefields and cemeteries remind us of the terrible sacrifices and loss of life in war. Many of us remember all too directly the experience of war. The United States asked the sacrifice of our citizens, a sacrifice that was necessary to fight Nazism in Europe, Japan, and Asia, it was a sacrifice offered in the cause of freedom. To protect our God-given liberties for both this country, and for our fellow men and women abroad. Americans today would do well to remember that throughout history the freedom that we now enjoy was created and maintained by blood and iron, and many tears. The lives and dreams of thousands of men and women who fought for democratic ideals were sacrificed because those men and women believed that these ideals were worth fighting for and dying for. It is fitting that today we honor those men and women who made that

sacrifice. It is the duty of our generation to preserve the freedom that earlier generations fought to secure. Unhappily, many now call for America to disarm. I, however, am reminded of what George Washington said over 200 years ago: "To be prepared for war is one of the most effectual means of preserving peace." The cost of freedom is eternal vigilance. Conflicts rage around the globe. Dictators with pernicious designs are at this moment committed to building their military power. Let us think twice about downsizing our military forces too quickly in the wake of the end of the Cold War—those before us here today understand all too well that there is no substitute for military preparedness. And they know that military preparedness does not come cheap, does not come without sacrifice. Remembering what memorial day is for, and what gives it meaning is how each of us remembers the great sacrifices which have made possible the blessings we share as Americans today. But when we consider those blessings, we must remember that men and women do not give their lives in the field of battle so that their loved ones who they leave behind live in a society that no longer respects their freedoms. The courageous veterans that are here with us today understand exactly how precious those freedoms are. You understand what is meant by civic duty, and the responsibilities of citizenship in a world desperate for heroes. I wish to salute you and honor you for that sacrifice. Your courage is an inspiration to me and to my generation, because courage in the face of danger and in the face of an uncertain future is going to be the key difference between what makes this country great and what could lead to failure as we struggle with the difficulties that we have today in our communities. To all of you who are veterans, I am deeply honored to recognize your sacrifices in the cause of freedom. Our country thanks you for your patriotism. We will not forget. And when we are called upon to defend liberty, we will rise to the challenge in the noble American tradition of our forbears. And on behalf of my generation, let me renew the pledge of Jefferson, Madison, Hamilton, and John Jay: "We stand ready, if our nation, and the freedoms we stand for, are attacked—we will make the sacrifice to preserve our cherished liberty for our children. This we pledge: our lives, our fortunes, and our sacred honor. May God bless you, and may God bless the United States of America!"

#### FINANCIAL AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. ANDREWS] is recognized for 5 minutes.

Mr. ANDREWS. Mr. Speaker, I rise tonight after listening with great interest to the colloquy which took place between and among my friends, the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. McKEON] and the gentleman from West Virginia [Mr. WISE], with respect to the issue of financial aid for people wanting to go to college or to pursue higher education in the country.

First let me say as a matter of record that I know and I accept that the intentions, particularly of the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. McKEON], are entirely positive in promoting higher education. It has been

their record. It has been their personal commitment, and I am very honored to serve with them on the Committee on Economic and Educational Opportunities. Having said that, I think that the plan that is being put forward is a serious assault on the ability of Americans, particularly middle-class Americans, to go to college or to pursue a higher education.

First let me say that the first time that we heard about this plan was tonight. As a member of the Committee on Economic and Educational Opportunities, I would expect that there would be more opportunities for both Republicans and Democrats to learn about the plan, debate its merits, and propose alternatives.

I am, finally, glad to hear something from the majority as to how it plans to reduce higher education spending by \$10 billion over the next 5 years, but I think that the proper way to do this would be to have hearings and a debate within the committee, not do it this way.

Having said that, it is my understanding that there are three ways that the committee is considering proposing to meet this \$10 billion target. Numbers, Mr. Speaker, fly around here freely. And if our constituents are listening to us, numbers like \$10 billion and 5-year appropriations and all of this is very, very confusing.

I would like to attempt to cut through that and talk about my understanding as to what the majority is, in fact, proposing and how it would affect students of all ages trying to get a higher education in the country. First of all, they propose the abolition of the direct loan program and claim that it will save \$1.2 billion. There is only one way that the abolition of the direct loan program saves money, and that is if you cook the books. With all due respect, that is what the Congressional Budget Office is doing with the direct loan program. It simply makes no sense whatsoever to argue that the taxpayers will spend less money by borrowing it at 5 percent than they will paying a bank to lend it at 8 percent. You do not have to go very far in school to figure that out.

In the next couple of days we will be revealing specific evidence which shows that the Congressional Budget Office for partisan political reasons has chosen to distort this issue and to distort the real economic impact of direct lending. It does not save money to abolish direct lending. It costs money. What it does is to take a program that is working successfully on college campuses across this country and turn it back to the maze of banks and guarantee agencies, and, Mr. Speaker, our constituents understand this.

□ 2130

They bounce from bank to guaranty agency to financial aid office and back all over again. You sometimes need a degree in educational administration to figure out how to apply for a student